

§ 17.727

38 CFR Ch. I (7–1–01 Edition)

§ 17.727 Grant agreement.

(a) *General.* The duty to provide supportive housing or supportive services, or to establish a service center in accordance with the requirements of this part will be incorporated in a grant agreement executed by VA and the recipient.

(b) *Enforcement.* VA will enforce the obligations in the grant agreement through such action as may be appropriate, including repayment of funds that have already been disbursed to the recipient.

§ 17.728 Program changes.

(a) *VA approval.* (1) A recipient may not make any significant changes to an approved program without prior VA approval. Significant changes include, but are not limited to, a change in the recipient, a change in the project site, additions or deletions in the types of activities listed in § 17.702 of this part approved for the program, certain shifts of funds from one approved type of activity to another, and a change in the category of participants to be served.

(i) Recipients of grants exceeding \$100,000 for nonconstruction projects who are State or local governments must receive prior VA approval for cumulative transfers among direct cost categories which exceed or are expected to exceed ten percent of the current total approved budget.

(ii) Recipients of grants for projects involving both construction and nonconstruction who are State or local governments must receive prior VA approval for any budget revision which would transfer funds between nonconstruction and construction categories.

(iii) Recipients of grants exceeding \$100,000 who are nonprofit entities must receive prior VA approval for cumulative transfers among direct cost categories or programs, functions and activities which exceed or are expected to exceed ten percent of the total budget as last approved by VA.

(2) Approval for changes is contingent upon the application ranking remaining high enough after the approved change to have been competitively selected for funding in the year the application was selected.

(b) *Documentation of other changes.*

Any changes to an approved program that do not require prior VA approval must be fully documented in the recipient's records.

§ 17.729 Obligation and deobligation of funds.

(a) *Obligation of funds.* When VA and the applicant execute a grant agreement, funds are obligated to cover the amount of the approved assistance under §§ 17.702 through 17.707 of this part. The recipient will be expected to carry out the supportive housing or supportive services activities as proposed in the application.

(b) *Increases.* After the initial obligation of funds, VA will not make revisions to increase the amount obligated.

(c) *Deobligation.* (1) VA may deobligate all or parts of grants awarded under this part:

(i) If the actual total cost of acquisition, rehabilitation, acquisition and rehabilitation, or new construction of facilities, or the cost of procurement of a van, is less than the total cost anticipated in the application, or

(ii) Where a recipient materially fails to comply with the terms and conditions of an award under this part.

(2) The grant agreement may set forth in detail other circumstances under which funds may be deobligated, and other sanctions may be imposed. Such sanctions may include, among other remedies: temporarily withholding cash payments pending correction of a deficiency, denying the use of grant or matching funds for all or part of the cost of an activity not in compliance, wholly or partly suspending an award, and withholding further awards to the recipient.

(3) Where a recipient has no control over causes for delays in implementing a project, any delays due to causes beyond a recipient's control may, with VA approval, suspend the running of any period in which the recipient must implement a program or risk deobligation of funds or other VA remedies.

(4) VA may:

(i) Readvertise in a notice of fund availability under § 17.708 of this part, the availability of funds awarded that